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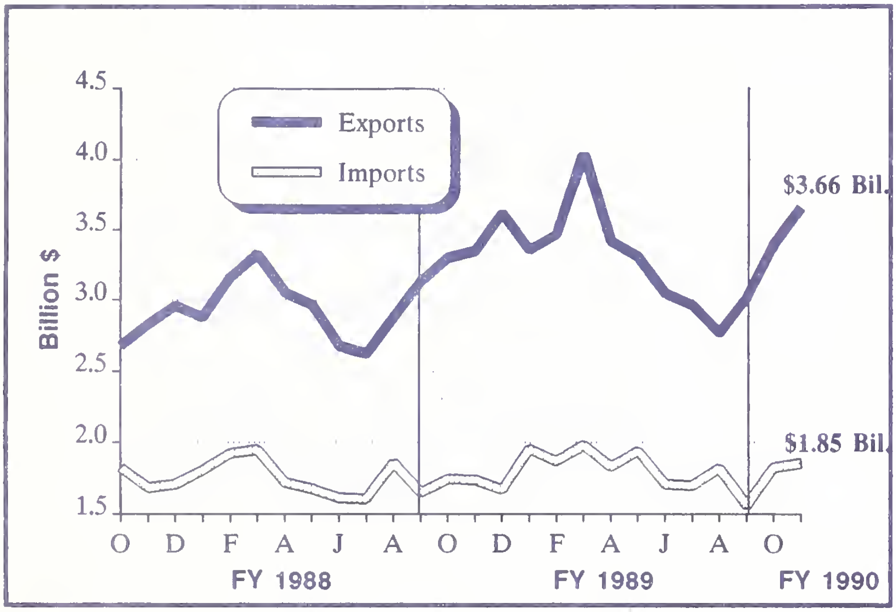
AGRICULTURAL TRADE HIGHLIGHTS

Farm Exports Rise to $3.66 Billion, Highest Level Since March 1989



November's trade report released by the Commerce Department on January 17 indicated strong performance in the agricultural sector. U.S. *farm exports* came to $3.66 billion and 14.8 million tons for the month, the highest since March 1989. The export value was up 9 percent from November 1988 levels and 8 percent from the previous month.

November's robust performance was propelled by a sharp rise in both the value and volume of several commodities. Trendsetters in value included corn, rice, cotton, tobacco, poultry meat, and horticultural products. The largest volume increase was posted in corn. In fact, corn accounted for half of November's total volume figure. These gains were partially offset by sales declines in other commodities. Among these were wheat, feeds and fodders, oilseed meals, vegetable oils, eggs, dairy products, live animals, red meats, and animal hides and skins.

At $769 million, Japan was the leading U.S. market for farm exports in November, followed by the European Community (EC) at $732 million and the Soviet Union at $352 million. Only one of the top ten markets for U.S. farm products (China) showed a significant sales decline. This was due mainly to reduced wheat shipments.

Agricultural imports also advanced in November. Imports for the month totaled $1.85 billion, compared with $1.74 billion a year ago and $1.83 billion in October. The increase was concentrated in competitive imports, such as wines, beef, dairy products, and horticultural products. The largest import gains came from the EC, Canada, Mexico, and Australia.

The *agricultural trade surplus* came to $1.8 billion, up $188 million from last November's balance and up $232 million from October.

November's trade figures marked the second month of the 1990 fiscal year. The cumulative export figures for October-November indicated advances in both value and volume from a year ago, with value up 6 percent and volume up 20 percent. The larger increase in volume reflects lower prices for most grains and oilseeds. The 2-month total for agricultural imports came to $3.7 billion, up 6 percent from year-ago levels.

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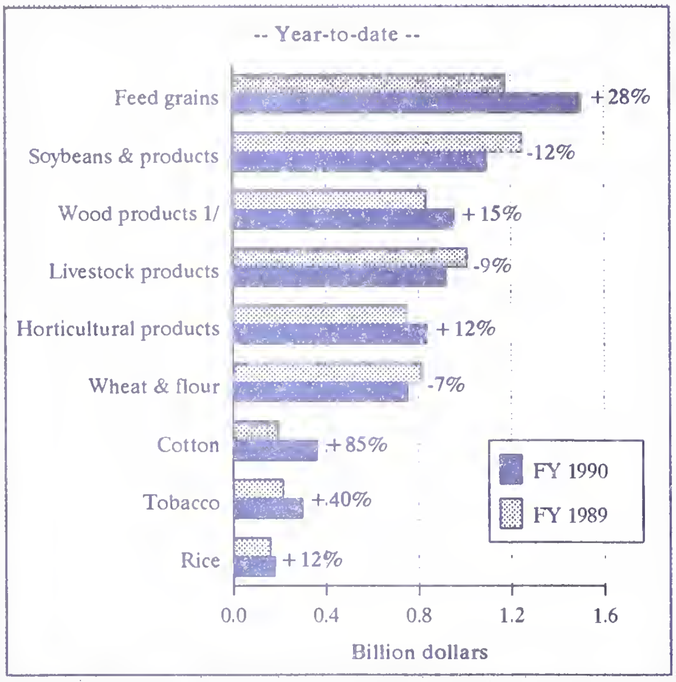

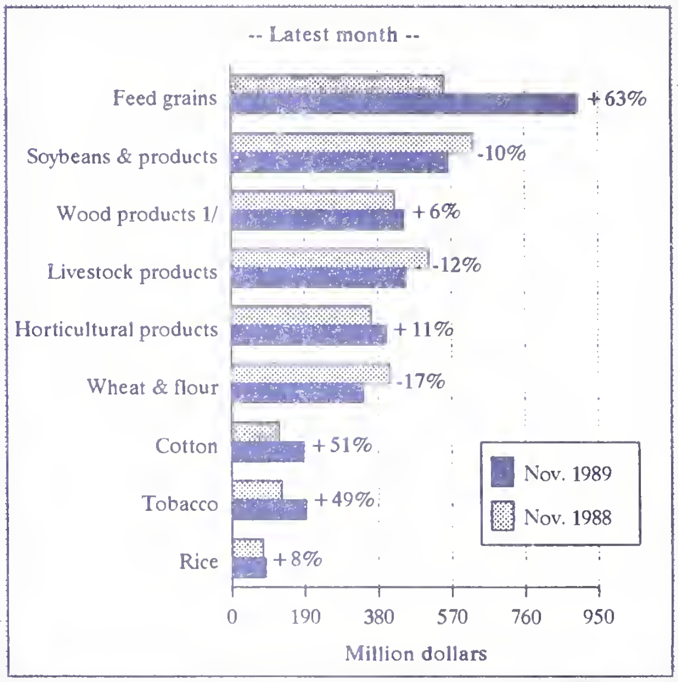

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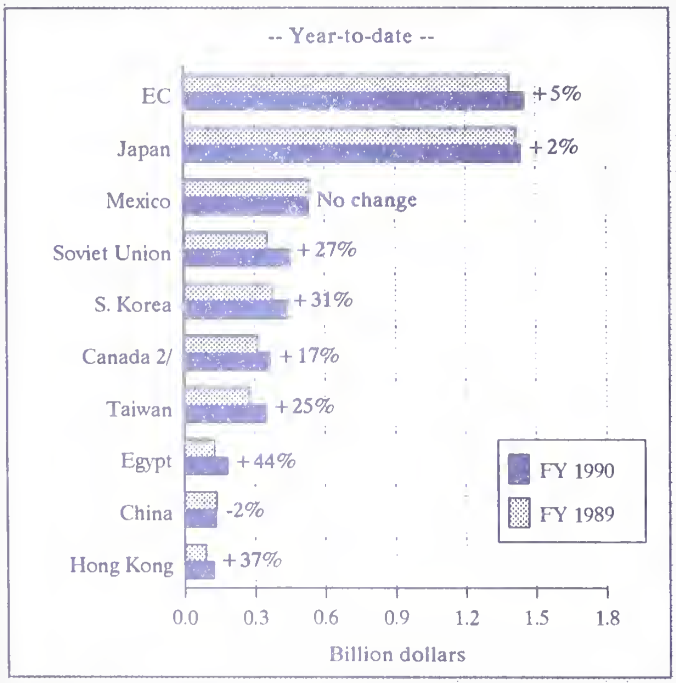
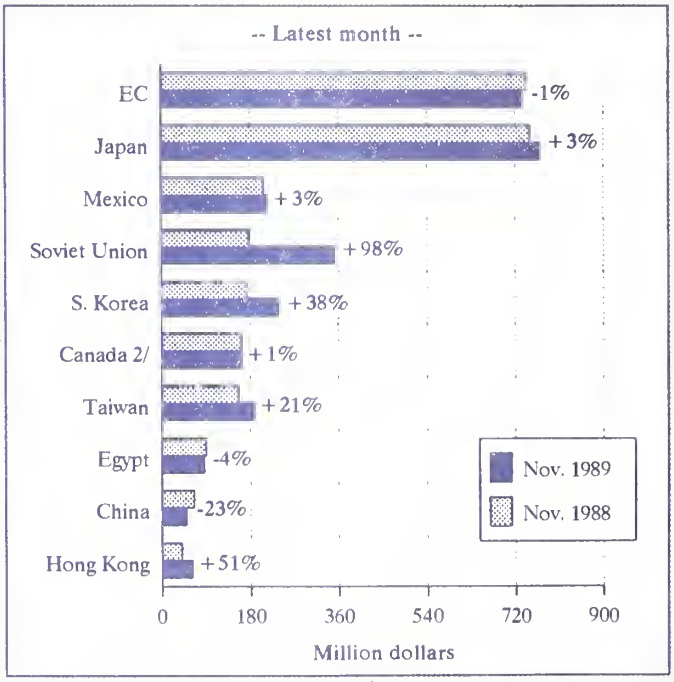




Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals. 2/ U.S. agricultural exports to Canada are underreported by about $1 billion a year and officially recognized by both Governments.

Commodity Highlights

While trends were mixed at the individual commodity level, November's trade report showed significant export gains in both value and volume from year-ago levels. Aggregate agricultural export value jumped 9 percent, to $3.7 billion, while volume advanced 30 percent, to 14.8 million tons.

U.S. *wheat and flour* exports were down in both value and volume from last November. Export value declined 17 percent and volume fell 22 percent. These declines are due primarily to a sharp drop in shipments to China. Sales to most other top U.S. wheat markets actually rose from year-ago levels, with three of the top five markets--Egypt, South Korea, and Pakistan--showing significant increases in purchases for the first 2 months of fiscal 1990.

In contrast to the declining sales trend in wheat and flour exports, *feed grain* exports posted healthy increases in value (up 28 percent) and volume (up 63 percent) for the month. The driving force behind this trend is rising foreign demand for U.S. corn, especially from the Soviet Union.

In fact, *corn* accounted for half of November's aggregate agricultural export volume total and was responsible for 96 percent of the November gain in both the export value and volume of feed grains. Other feed grains such as sorghum, rye, and oats also posted increases, although gains were smaller than for corn. Other leading markets for feed grains besides the Soviet Union were Japan and Mexico.

U.S. export performance for *soybeans and soybean products* continues to be varied. Thanks to a pickup in sales to the EC, bulk soybean shipments have been rising in recent months, but foreign demand for soybean meal and oil remains sluggish. For the October-November period, soybeans posted a 34 percent gain in volume from the same period last year. The export value remained unchanged, reflecting lower unit prices. During the same 2-month period, both soybean meal and soybean oil posted sharp declines with the most pronounced drops occurring to Mexico and Japan.

After lackluster performance for most of fiscal 1989, U.S. *cotton* is enjoying a resurgence in foreign demand this year. November's trade report showed cotton sales advancing 51 percent in value and 28 percent in volume from November 1988. The recent increase in demand for U.S. cotton is attributable to the tight world supply situation and China's switch from net cotton exporter to net importer status. In addition to China's purchases, notable gains have also been posted to traditional U.S. markets, such as Japan, the EC, and South Korea.

Unmanufactured tobacco exports continued to surge in November, rising 49 percent in value and 51 percent in volume from a year ago. Rising burley shipments to West Germany and flue-cured leaf shipments to West Germany, Turkey, South Korea, Taiwan, and Japan are the underlying factors in this substantial increase.

U.S. *rice* remains in a strong export position, with November sales increasing 8 percent in value and 10 percent in volume from year ago levels. Rice shipments to several major markets continue to advance. Examples are the EC, Mexico, Saudi Arabia, and Turkey. However, significant declines have occurred to Iraq, the largest U.S. rice market in fiscal 1989.

Export performance within the *livestock sector* was sluggish in November, with sales down by 12 percent in value and 9 percent in volume. While almost all livestock products showed some slippage, the most significant export declines were in variety meats to the EC and Mexico, beef and veal to Japan, and live animals to Mexico. Livestock exports for October-November 1989 were down 9 percent in value but up 6 percent in volume from the comparable period a year ago.

Most *horticultural products* showed sales increases in November, resulting in an 11-percent increase in value over the previous November's figure. Commodity standouts included fresh oranges and melons, prunes, frozen french fried potatoes, and wine. The same trend is evident in year-to-date figures, with sales value for the October-November period up 12 percent from last year. Top markets for the 2-month period include the EC, Japan, Canada, Hong Kong, and Taiwan.

U.S. *wood product* exports made another strong showing in November. At $183 million, Japan was the top market, accounting for 41 percent of the monthly total. Other Pacific Rim countries such as China, South Korea, and Taiwan also continue to be strong markets.

For more information, contact Emiko Miyasaka at (202) 382-9148.

Top Five Markets for Major U.S. Commodities, Year-to-date Comparisons

Note: Percentages are computed as the change from fiscal 1988 to fiscal 1989.
1/ Negligible exports reported during comparable period last year.

Bulk Commodity Exports Continue To Increase As Intermediate Products Register Export Decline

Agricultural exports for the month of November exhibited strong growth in the *bulk* commodity category, modest growth in the *consumer-oriented* category, and a significant decline in the *intermediate* category.

Bulk commodity exports for the month totaled $2.19 billion compared with last November's total of $1.79 billion, an increase of 22 percent. This increase is largely due to the 70 percent increase in corn exports, to $813 million from $479 million. A large jump in exports to the Soviet Union accounted for almost half of the $334 million increase in corn exports.

Other bulk commodities to show significant gains over year-ago levels were cotton (up 51 percent) and tobacco (up 49 percent). Declines were shown in wheat (down 22 percent) and soybeans (down 4 percent).

This increase [in bulk commodities] is largely due to the 70 percent increase in corn exports . . .

The monthly total for consumer-oriented products was $744 million compared with last November's total of $726 million for a modest increase of 2 percent. Processed fruits and vegetables jumped 19 percent to $99 million while poultry meat increased 21 percent to $51 million. Other major products include tree nuts (up 6 percent) and fresh fruits and vegetables which matched the year-ago level of $121 million.

These gains in the consumer-oriented category were almost totally offset by an 8 percent decline red meats. The export of red meats dropped to $198 million from year-earlier monthly total of $216 million. This $18 million decline was largely due to a drop off in the value--though not volume--of beef and veal exports to Japan and a drop off in both value and volume of variety meat exports to the EC countries and Mexico.

Intermediate products for the month totaled $714 million compared with a November 1988 total of $827 million for a sharp decrease of 14 percent. Every major product within this category exhibited significant declines against year-ago levels. Hides and skins declined 8 percent to $133 million, feeds and fodders declined 31 percent to $124 million, soybean meal declined 30 percent to $76 million, live animals declined 29 percent to $57 million, and animal fats declined 22 percent to $39 million.

For more information, contact Dennis Voboril at (202) 382-1294.

U.S. Agricultural Exports by Major Processing Stage, November 1989 versus Month-ago and Year-ago

Major Products Exported	Nov. 1989	Month Ago	Year Ago	% Change From Oct.'89	% Change From Nov.'88
	-- Million $ --				
Bulk products	2,197	1,869	1,797	18%	22%
Corn	813	482	479	69	70
Soybeans	467	452	488	3	-4
Wheat	310	395	396	-22	-22
Tobacco	193	106	129	82	49
Cotton	185	177	123	5	51
Intermediate products	714	726	827	-2	-14
Hides & skins	133	142	144	-6	-8
Feeds & fodders	124	145	181	-14	-31
Soybean meal	76	56	109	36	-30
Live animals	57	52	80	10	-29
Animal fats	39	49	50	-20	-22
Consumer-oriented	744	797	726	-7	2
Red meats	198	203	216	-2	-8
Fresh fruits & vegetables	121	130	121	-7	0
Processed fruit & vegetables	99	105	83	-6	19
Tree nuts	86	122	81	-30	6
Poultry meat	51	42	42	21	21
Grand total	3,655	3,392	3,350	8	9

Source: TEID and the U.S. Bureau of Census.

Bulk commodities include wheat, rice, feed grains, soybeans, other unprocessed oilseeds, cotton, unmanufactured tobacco, planting seeds, and pulses.

Intermediate products are principally semi-processed products such as wheat flour, feeds and fodders, hops, oilseed meals, vegetable oils, hides and skins, animal fats, wool, and refined sugar. Live animals are also included.

Consumer-oriented products are fundamentally end-products that require little or no additional processing for consumption and include all items not listed in the above categories, such as fresh and processed horticultural products, fresh and processed meats, dairy products, table eggs, and bakery products.

Agricultural Imports Advance to $1.85 Billion, Gains Concentrated in Competitive Products

U.S. agricultural imports in November reached $1.85 billion, up 2 percent from last month's figure of $1.83 billion and 7 percent over the past November's $1.7 billion total. The increase in dollar value from a year ago was attributable to a 13-percent jump in *competitive* imports. For November, the value of competitive products rose to $1.4 billion while that of *noncompetitive* products fell 9 percent to $441 million.

Imports for the first 2 months of the fiscal year registered $3.68 billion compared with $3.48 billion for October-November 1988. This 6-percent gain over the same period last year was the result of a 9-percent increase in competitive imports which more than offset the slight decrease in noncompetitive imports.

The box below lists trade statistics for the top competitive and noncompetitive imports. Within the competitive product category, imports of beef and veal grew most significantly in November, rising 23 percent in value from a year ago. This growth was attributable to a sharp increase in the quantity of beef and veal imported from Australia.

Other competitive imports posting notable gains over year-ago levels include vegetables, up 18 percent; dairy and poultry products, up 16 percent; and wines and beer, up 9 percent. The largest decline within the category was in fruits and fruit juices, with orange juice imports (mainly from Brazil) accounting for all for the decline.

The most significant increase within the noncompetitive product category was in tea, which rose 20 percent from the past November's level. The increase in U.S. expenditures on tea imports was almost exclusively due to higher prices. West Germany, China, Indonesia, and India were the biggest beneficiaries. Cocoa, bananas, and plantains also showed advances for the month, rising 17 and 7 percent, respectively, from November 1988.

The increase in dollar value [of imports] from a year ago was attributable to a 13-percent jump in competitive products.

Noncompetitive products recording losses for the month included rubber and allied gums, down 31 percent; coffee, down 18 percent; and spices, down 9 percent. For the most part, lower prices were responsible for the reduced level of expenditures on these imports. The price of coffee, in particular, has been falling since July when the International Coffee Organization suspended its export quotas.

The EC remained the leading supplier of U.S. agricultural imports. Other top suppliers included Canada, Mexico, Brazil, Australia, and Columbia. Mexico registered the largest sales gain from last November with an increase of $48 million, or 40 percent. Mexico is a leading U.S. supplier of fresh fruits and vegetables and imported beer.

For more information, contact Kathleen Anderson at (202) 392-9522.

Noncompetitive imports are those which do not compete with U.S. production and include: bananas and plantains, coffee (incl. processed), cocoa (incl. processed), rubber and allied gums, spices, essential oils, tea, and carpet wools. All other imports are classified as competitive.

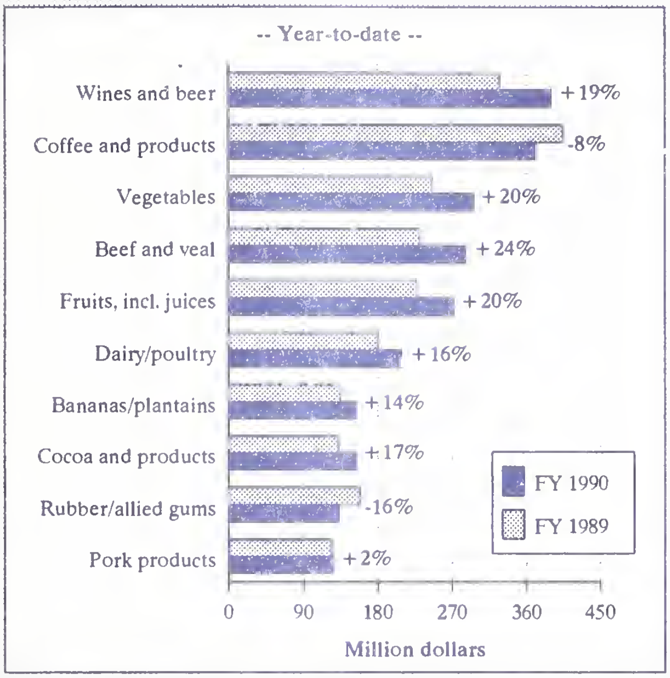
U.S. Agricultural Import Indicators by Major Product Sector, November 1989 versus Month-ago and Year-ago

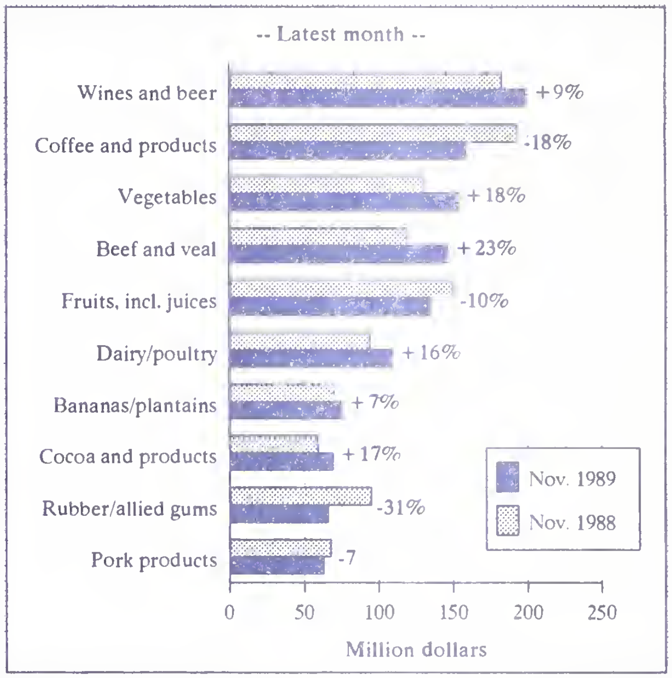
Import Category	Nov. 1989	Month Ago	Year Ago	% Change From Oct.'89	% Change From Nov.'88
	-- Million $ --				
Total competitive	1,413	1,309	1,252	8%	13%
Wines and beer	199	191	183	4	9
Vegetables	154	142	130	8	18
Fruits, incl. juices	135	122	150	11	-10
Beef & veal	146	141	119	4	23
Dairy/poultry	109	100	94	9	16
Pork	63	63	68	0	-7
Total noncompetitive	441	516	487	-15	-9
Coffee & products	159	212	193	-25	-18
Cocoa & products	69	85	59	-19	17
Bananas/plantains	75	79	70	-5	7
Rubber/allied gums	66	67	95	-1	-31
Spices	20	19	22	5	-9
Tea	12	12	10	0	20
Total agri. imports	1,854	1,825	1,742	2	7

Source: Commodity Trade Analysis Branch, Economic Research Service, U.S. Department of Agriculture.

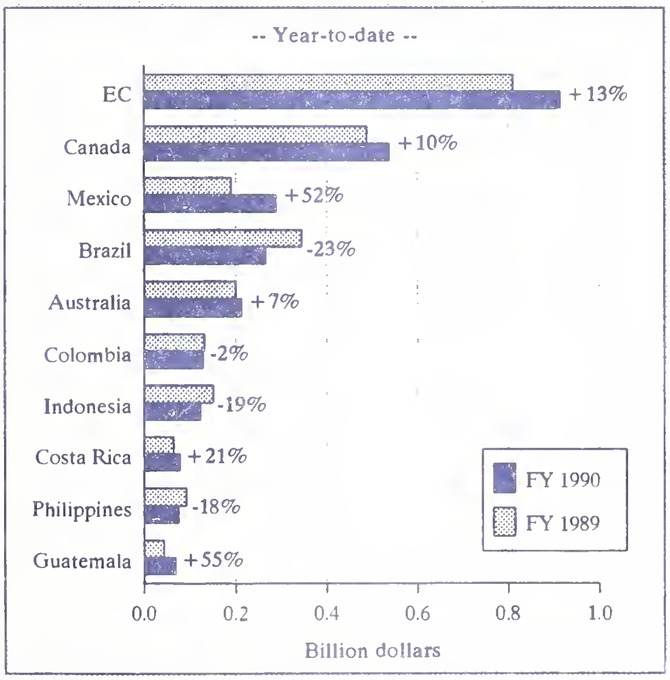
U.S. Agricultural Import Summaries, Year-to-date and Latest Month

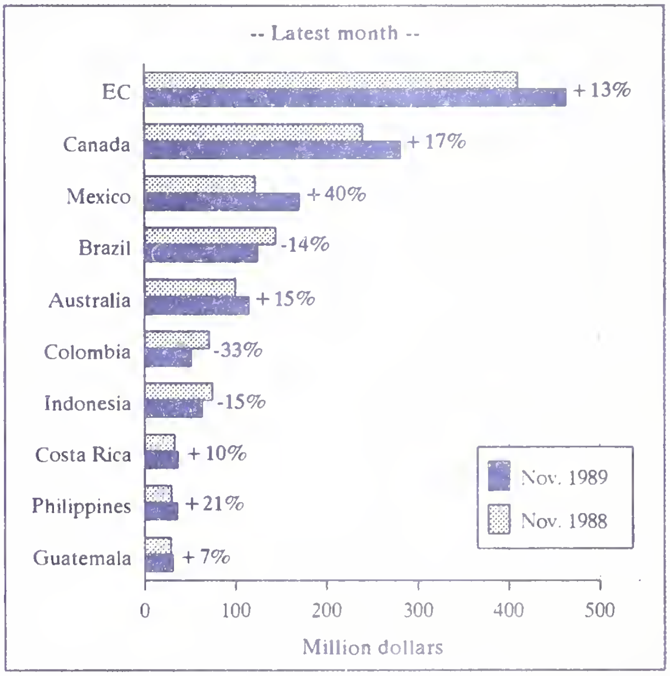
Product Summary





Top Ten Suppliers Summary





Note: Percentages are computed as the change from a year ago.

Recent Developments In Agricultural Trade

EC Commission Acts On Proposal To Utilize More Soybean Oil

In early July, the Spanish Government requested the EC Commission to review its proposal regarding the liberalization of consumption rules affecting the margarine industry's use of soybean oil. The EC Commission has finally acted on the proposal by submitting a draft regulation to the EC Council calling for the removal of domestic taxes on soybean oil when it is used in the manufacture of hydrogenated fats and oils, margarine, and certain oil-based sauces. If the regulation is implemented, it could result in increased exports of U.S. soybeans to Spain.

Canada Sets 1990 Ice Cream and Yogurt Import Quotas

Despite a General Agreement on Tariffs and Trade (GATT) panel finding that Canada's 1988 import restrictions on ice cream and yogurt are inconsistent with its obligations under Article XI of the GATT, Canadian officials have decided not to implement panel recommendations for the time being. Instead, Canada's import quotas for 1990 will be 347 tons for ice cream and 332 tons for yogurt. Both have been increased by only 2 tons as Canada awaits the conclusion of the Uruguay Round.

Egypt Extends Shelf-life For Imported Beef Liver

The Egyptian Ministry of Industry issued a decree on December 13 that extends the shelf-life of imported frozen beef liver to 7 months. The decree will be effective for 1 year. In early 1989, the Egyptian government reduced the liver shelf-life from 1 year to 4 months. The U.S. Agricultural Counselor in Cairo reported that this new policy is a positive step and should result in expanded trade.

GSM Commodities To Undergo Price Review

As of December 14, all GSM-102/103 applications for payment guarantees will be reviewed to determine whether the price of the commodity being sold to the foreign buyer is within prevailing export market prices. Commodity pricing outside the prevailing export market would indicate that prices are not being negotiated in accordance with normal practices. This price review is being undertaken to help prevent potential abuse of the program as well as to meet competition from other exporting countries.

Mexico To Import More Rice

Mexico will likely buy closer to 100,000 tons of rice in 1990 rather than the 50,000 tons previously forecast because of reduced crop prospects and a buildup in stocks. Mexico imported a record 180,000 tons in 1989, with all purchases coming from the United States. The country is expected to continue to rely on suppliers who can provide credit and prompt shipment in 1990.

Record Fruit Exports Forecast for Chile

Chilean exporters of grapes and other deciduous fruits are predicting a record season for exports. The export season started in November and continues through May. The United States is the principal market for most items, although substantial quantities are shipped to Europe and the Middle East. Growers and exporters hope to recover from the cyanide poisoning scare which decimated export volume and profits last season.

Danish Imports Of U.S. Soybean Meal Expected To Quadruple

Danish imports of soybean meal are expected to grow in the 1989/90 marketing year in response to increased use of soybean meal in animal feed rations. In 1988/89, Denmark imported only 14,000 tons of U.S. soybean meal as a result of the drought-reduced, high-priced U.S. soybean crop. In 1989/90, however, Danish imports of U.S. soybean meal are expected to nearly quadruple to 50,000 tons, with the potential for even greater imports depending on competition from Argentina and Brazil.

Brazil's Milk Powder Imports Expected To Remain Strong

Brazil's Secretary of Food Supply and Prices has requested an exemption from import taxes on up to 100,000 tons of powdered milk in 1990. A significant planned increase in the Brazilian government's social programs, unusually small stock levels, and a recent decline in food-aid donations to Brazil are the main factors pointing to substantial imports of dry milk in 1990. If a current request for GSM-102 guarantees for dairy products is approved and U.S. powder prices continue to fall, U.S. exporters may be able to capture a sizable part of Brazil's powdered milk market.

Sale of Smokeless Cigarette Planned By Japan

Seiko, a Japanese company famous for its watches, has announced plans to market a smokeless cigarette. The cigarette is comprised of a small grain of essence extracted from Virginia-type leaf and placed in a cigarette-shaped holder. An initial production run has already occurred at a plant in Singapore, with sales limited to the local Singaporean market. Sales in Japan are not expected to begin until the end of the year. Plans call for retail prices to be set slightly above the current average cigarette price in Japan of U.S. $1.70 per pack.

Korea Announces Increased Prices For Tobacco

The Korea Tobacco and Ginseng Corporation (KT&G) increased prices paid to growers for 1989 crop tobacco by an average of 9 percent over 1988. However, selling costs to exporters were only raised 1-2 precent, resulting in an increase in the export subsidy to between 50-60 percent of the equivalent domestic price for highest quality tobacco. To limit the total cost of export subsidies, KT&G plans to reduce the amount of tobacco offered for export. However, these additional supplies should have no significant effect on U.S. leaf exports as KT&G continues to upgrade the quality of its cigarettes. U.S. leaf tobacco exports to South Korea have reached 1,234 tons valued at $7.2 million through September 1989.

German Health Office Approves Use of BST

Although the West German Parliament supports a prohibition on the use of bovine somatatropin (BST), the West German federal health office (BGA) in West Berlin has pre-approved Monsanto's BST product, SOMETRIBOVE. The office has ruled that BST is harmless since no problems with residues have been detected in test results. However, the Ministry of Health in Bonn, the country's capital, has the deciding vote in the process and it seems unlikely that the final approval will be anytime soon.

Zambia Signs P.L. 480 Agreement

On December 21, 1989, Zambia signed a P.L. 480, Title I sales agreement for $7 million. The agreement will provide $4 million worth of edible vegetable oil and $3 million worth of inedible tallow.

GSM-102 Programs To Venezuela And Suriname

The USDA authorized $5 million in wheat to Suriname on Dec. 29, 1989 under the GSM-102 credit guarantee program. On Jan. 3, 1990, Venezuela received $300 million in GSM-102 credit guarantees of which $100 million is immediately available for $30 million in wheat, $5 million in pulses, $10 million in oilseeds, $15 million in vegetable oils, $15 million in feed grains including malt barley, $15 million in protein meals, $5 million in seed potatoes, and $5 million in planting seeds.

For more information, contact Kelly Kirby at (202) 382-1038.

Poland:
On the Road to Democratization

While Poland's food crisis appears to be easing somewhat, its economy continues to face several critical problems. An economic stabilization package slated to take effect in January 1990 addresses many of these underlying problems, but it is yet too early to ascertain the outcome.

The partial privatization of Poland's economy has generated an air of hope and optimism among its citizenry, but the country faces some serious economic challenges on its road to democratization. The economy is burdened with an estimated $41 billion hard currency debt and is facing the threat of hyperinflation.

Although Poland has the potential to become a net agricultural exporter, the country's agricultural sector is burdened by input shortages, a seriously neglected infrastructure, and a pricing system which has failed to provide the needed incentives to boost output.

Most serious problem is threat of runaway inflation

The most serious problem threatening the Polish economy is inflation, which by the end of 1989 was running at over 500 percent. The task of controlling inflation is made all the more difficult by the structural imbalances built up by over 40 years of central planning.

Inflation continues at very high rates, undermining the effectiveness of the Polish current unit, the zloty. The inflation problem is largely the result of years of accumulated cash balances held by the population and generated by artificially low retail prices, rapid wage growth unaccompanied by productivity increases, and a shortage of consumer goods on which to spend income.

It is too early to determine if the January program will have its desired effect of controlling inflation. At this point, however, inflation has reached the point where people would rather hold commodities than cash balances.

Government faces large budget shortfalls in coming year

Years of government subsidization throughout the economy has created a huge budget deficit for the new Government of Poland to wrangle under control. The economic reform package which went into effect in January 1990 includes several measures aimed at reducing the deficit.

Among these measures are the elimination of most remaining subsidies (the only food subsidies remaining are for 2-percent lowfat milk, low-fat cottage cheese, and basic bread) and the curtailment of a large share of government investment spending.

Severe structural imbalances are common in system

Over four decades of central planning and government-controlled pricing has resulted in severe structural imbalances in the Polish economy. A large part of these imbalances derive from the portion of the economy that is still owned by the state and operated in monopoly fashion. State-owned firms have never had to set prices or generate a profit under free-market conditions. Hence, market forces are a relatively unknown concept to the managers of these firms.

The lack of developed peripheral markets is also a problem. While Poland now encourages private entrepreneurs to compete with the state monopolies, the lack of private capital markets prevents access to the necessary financing. Polish reforms have not yet directly addressed the problems of marketing, storage, and transportation services, sectors which are crucial to the smooth operation of a market economy.

A third problem is poor infrastrucure. The infrastructure has been badly neglected, and what exists is designed for use by state-owned monopolies.

In short, the transformation of the structure of the Polish economy will not be an easy task. The breakup and privatization of state monopolies is currently under discussion, but no final plans have been reached. The major challenge is to devise a suitable strategy to transfer ownership of state monopolies to the private sector.

Food situation improving, but shortages still present

The food situation in Poland is much improved from early August. Retail food prices have risen rapidly and finally appear to be cooling demand. Supplies are generally ample, but quality varies and stores are still characterized by spot shortages of certain items.

Furthermore, indications are that prices have not yet found their market-clearing level. Prices are still rising and there are huge variations

in prices for identical items from one store to another. Most serious, continued bottlenecks on the supply side threaten further shortages in the coming year, particularly of meat.

These shortages, however, are the result of adjustments to past economic policies rather than inherent deficiencies of Polish agriculture. Despite many obstacles to productivity growth, Polish agricultural performance has been improving steadily since the early 1980's. For example, the 1989 grain harvest is estimated to be at near-record levels.

However, red meat output is estimated to have declined 6 percent in 1989 and could decline further in 1990. In August, hog producers were holding their animals back from the market in protest of low producer prices. Since then, there have been increases in producer prices, and producers have responded by shipping more hogs to market.

But grain sales are still down and grain farmers are holding back output as a hedge against inflation. Consequently, hog farmers cannot buy sufficient feed, which could lead to a reduction in inventories, threatening output in 1990. The Poles still consume substantial amounts of meat per capita. However, per capita meat consumption is forecast to be around 60 kilograms in 1989, down from 63 in 1988 and well below the 1979-81 average of 69 kilograms

The United States responds with financial assistance

The United States Government has thus far pledged $938 million in assistance to help Poland cope with its current crisis. This assistance package includes aid for Hungary as well, but the bulk of it is targeted for Poland.

Of the total, $120 million will be in the form of food aid, $200 million will be the U.S. contribution to a $1 billion international stabilization fund that has been requested by the Poles, and the remainder is targeted for an *Enterprise Fund* for private sector development. The $200-million contribution to the stabilization fund is contingent on Poland's conclusion of a stabilization agreement with the International Monetary Fund (IMF).

The food aid will consist mainly of donations of surplus commodities under Section 416 and includes commodities such as corn, sorghum, cotton, vegetable oil, butter, and rice.

Some 200,000 tons of corn have already been scheduled for shipment under this program, along with 10,000 tons of butter. In addition, up to 10,000 tons of pork bellies are to be shipped under the Food for Progress Program authorized by the 1985 farm bill.

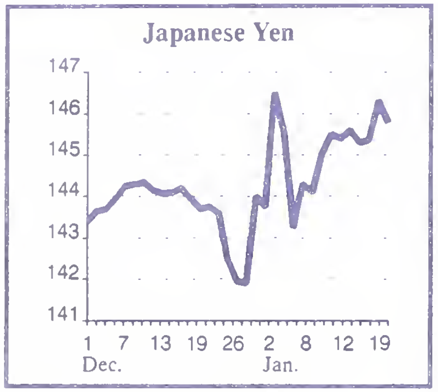
Just recently, a P.L. 480 agreement was signed authorizing up to $20 million worth of cotton, rice, and vegetable oil to be sold for local currency.

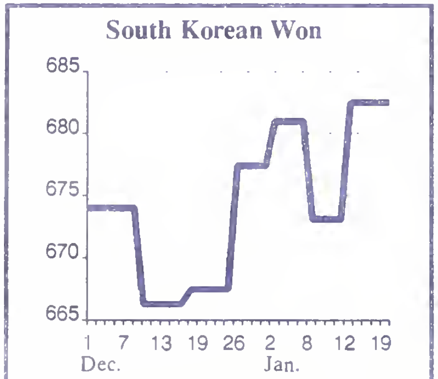
The U.S. aid to Poland is being closely coordinated with additional aid from the European Community (EC) and Japan. The EC has authorized funds from its budget, totaling $222 million. Of this, $138 million is for food aid, including 800,000 tons of grains and smaller amounts of beef, fruit, and olive oil. Japan has pledged $50 million in food aid and a $150-million contribution to Poland's stabilization fund.

Individual European governments have also offered substantial amounts of aid. West Germany has offered $1.6 billion in credit guarantees, a rescheduling of $1.3 billion of credit, and a writeoff of $533 million in import debts. In addition, France has pledged a 3-year package totaling $640 million and Sweden has offered $42 million.

This article was contributed by Nancy J. Cochrane and Robert Koopman of the Economic Research Service, USDA. The authors may be contacted at (202) 786-1621.

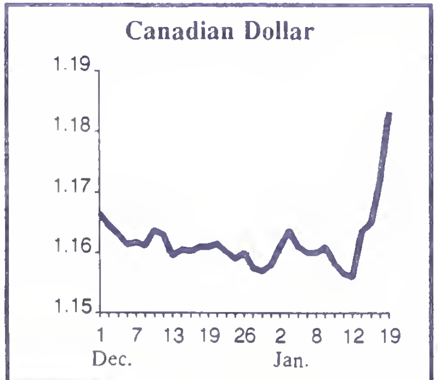
Exchange Rate Movements Of Major World Currencies
Vis-a-Vis U.S. Dollar -- Daily Spot Quotations (Dec. 1, 1989 - Jan. 19, 1990)

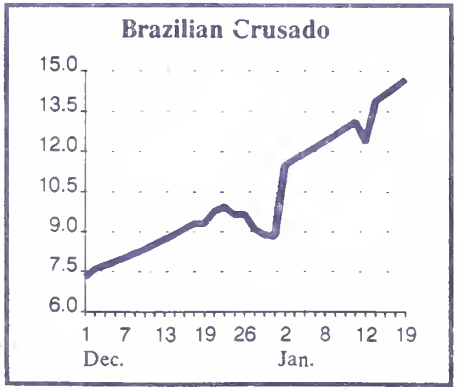


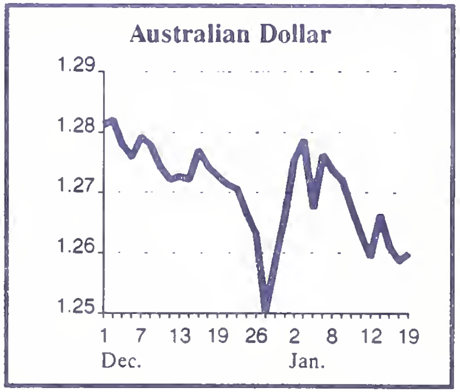


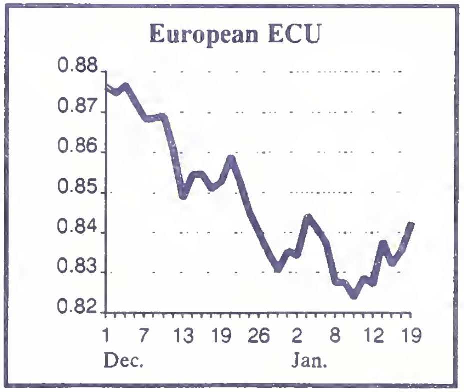
Currencies	Current Rate 1/19/90	Percent Change From: Week Ago 1/12/90	Month Ago 12/22/89	Year Ago 1/89
Argentine Austral	1,470	33.64	8.89	8,760.23
Brazilian Crusado	14.70	9.95	52.59	1563.87
Mexican Peso	2,700	0.67	1.62	17.51
Canadian Dollar	1.1832	2.35	2.09	-0.66
Australian Dollar	1.2599	0.04	-0.53	9.69
South African Rand	2.5714	0.99	0.30	7.86
Thai Baht	25.62	0.08	-0.04	1.39
Japanese Yen	145.80	0.14	2.34	14.54
South Korean Won	682.50	1.40	2.25	-0.09
New Taiwan Dollar	25.90	0.12	-0.19	-7.05
Singapore Dollar	1.8745	-0.95	-1.47	-3.37
Indian Rupee	16.91	0.18	0.30	12.14
British Pound	0.6073	0.76	-1.40	7.78
Italian Lira	1,272	1.70	-0.33	-5.39
French Franc	5.8145	1.78	-0.16	-6.99
West German Mark	1.7110	2.00	0.26	-6.76
European ECU	0.8424	1.85	-0.28	-4.25

NOTE: Exchange rates are daily spot quotes as of 3:00 p.m. Eastern Time.
Source: TEID/IAS/FAS Exchange Rate Database and *Wall Street Journal.*









U.S. Agricultural Exports by Major Commodity Group, Year-to-date Performance Indicators and Fiscal 1990 Forecasts

	October-November 1988/89	October-November 1989/90		Fiscal Year 1989	Fiscal Year 1990(f) 1/	
	-- Billion dollars --		% Change	-- Billion dollars --		% Change
Grains & feeds 2/	2.573	2.855	11%	17.098	15.6	-9%
Wheat	0.773	0.705	-9%	6.018	5.2	-14%
Wheat flour	0.037	0.048	29%	0.266	0.2	-25%
Rice	0.161	0.180	12%	0.956	0.8	-16%
Feed grains 3/	1.175	1.499	28%	7.403	6.7	-9%
Corn	1.031	1.295	26%	6.108	5.9	-3%
Feeds & fodders	0.315	0.269	-14%	1.822	NA	NA
Oilseeds & products	1.410	1.269	-10%	6.779	5.6	-17%
Soybeans	0.917	0.919	0%	4.086	3.4	-17%
Soybean meal	0.246	0.132	-46%	1.290	0.9	-30%
Soybean oil	0.084	0.043	-48%	0.404	0.3	-26%
Other vegetable oils	0.061	0.062	1%	0.416	NA	NA
Livestock products	1.012	0.919	-9%	5.391	5.3	-2%
Red meats	0.415	0.401	-3%	2.327	NA	NA
Animal fats	0.093	0.087	-6%	0.524	NA	NA
Poultry products	0.129	0.129	0%	0.730	0.7	-4%
Poultry meat	0.083	0.093	11%	0.513	NA	NA
Dairy products	0.094	0.054	-42%	0.489	0.6	23%
Horticultural products	0.748	0.836	12%	4.159	4.4	6%
Unmanufactured tobacco	0.214	0.299	40%	1.274	1.3	2%
Cotton & linters	0.195	0.362	85%	2.059	2.7	31%
Planting seeds	0.083	0.081	-2%	0.498	0.5	0%
Sugar & tropical products	0.191	0.244	28%	1.190	1.3	9%
Wood products 4/	0.833	0.954	15%	5.876	NA	NA
Total agricultural export value	6.648	7.047	6%	39.668	38.0	-4%
	-- Mil. metric tons --		% Change	-- Mil. metric tons --		% Change
Grains & feeds 2/	17.117	20.612	20%	115.245	NA	NA
Wheat	5.075	4.334	-15%	37.775	33.0	-13%
Wheat flour	0.197	0.201	2%	1.240	1.3	5%
Rice	0.491	0.544	11%	3.053	2.5	-18%
Feed grains 3/	9.225	13.573	47%	60.971	63.5	4%
Corn	8.127	11.894	46%	50.556	55.0	9%
Feeds & fodders	1.918	1.680	-12%	11.005	11.4	4%
Oilseeds & products	4.270	5.051	18%	21.509	NA	NA
Soybeans	3.058	4.100	34%	14.111	15.6	11%
Soybean meal	0.835	0.577	-31%	4.655	4.6	-1%
Soybean oil	0.140	0.090	-36%	0.754	0.7	-7%
Other vegetable oils	0.089	0.100	12%	0.683	NA	NA
Livestock products 5/	0.410	0.435	6%	2.508	NA	NA
Red meats	0.136	0.151	11%	0.807	0.8	-1%
Animal fats	0.229	0.238	4%	1.369	1.4	2%
Poultry products 5/	0.071	0.098	38%	0.483	NA	NA
Poultry meat	0.068	0.096	41%	0.465	0.5	8%
Dairy products 5/	0.061	0.032	-47%	0.353	NA	NA
Horticultural products 5/	0.665	0.724	9%	3.799	3.9	3%
Unmanufactured tobacco	0.036	0.050	39%	0.258	0.2	-22%
Cotton & linters	0.145	0.232	60%	1.491	1.7	14%
Planting seeds	0.057	0.071	25%	0.497	NA	NA
Sugar & tropical products 5/	0.153	0.192	25%	0.933	NA	NA
Total agricultural export volume 5/	22.985	27.497	20%	146.771	145.5	-1%

NA = Not available.

1/ Export forecasts are from November 28, 1989, "Outlook for U.S. Agricultural Exports."
2/ Includes pulses and corn gluten feed and meal.
3/ Includes corn, oats, barley, rye, and sorghum and products.
4/ Wood products are not included in agricultural product value totals.
5/ Includes only those items measured in metric tons.

Source: U.S. Bureau of the Census and November 28, 1989, "Outlook for U.S. Agricultural Exports."

Weekly Quotations for Selected International Prices 1/

Dollars per metric ton	Week of 1/17/90	Month ago	Year ago
Wheat (c.i.f. Rotterdam) 2/			
Canadian No. 1 CWRS 13.5%	201	201	220
U.S. No. 2 DNS 14 %	194	191	195
U.S. No. 2 SRW	189	191	196
U.S. No. 3 HAD	182	183	210
Canadian No. 1 durum	192	193	218
Feed Grains (c.i.f. Rotterdam) 2/			
U.S. No. 3 yellow corn	127	132	142
Soybeans and Meal (c.i.f. Rotterdam) 2/			
U.S. No. 2 yellow soybeans	240	253	315
U.S. 44 % soybean meal	NQ	224	297
Brazil 48 % soy pellets	226	221	317
U.S. Farm Prices 3/ 4/			
Wheat	138	141	159
Barley	86	85	104
Corn	88	87	101
Sorghum	81	81	89
Broiler 5/	1,167	1,083	1,248
Soybeans 6/	206	213	277
EC Import Levies			
Common wheat	97	90	117
Durum wheat	126	130	NA
Barley	84	87	133
Corn	96	94	134
Sorghum	100	100	147
Broilers	241	246	NA
EC Intervention Prices 7/			
Premium wheat	133	135	208
Common wheat	131	133	197
Feed wheat	124	126	197
Maize	131	133	208
Barley	124	126	197
Sorghum	124	126	197
Broilers	849	867	NA
EC Export Restitution (subsidies)8/			
Common wheat	62	57	71
Barley	67	70	80
Broilers	265	270	NA

NQ = No quote. NA = Not available. Note: Changes in dollar value of EC import levies, intervention prices, and export restitutions may be the result of changes in $/ECU exchange rates.

*1/ Mid-week quote. 2/ Asking price in dollars for imported grain and soybeans and soybean products, c.i.f. Rotterdam for nearby delivery. 3/ Five-day moving average. 4/ Target price for current marketing year in $/metric ton: wheat, $151; barley, $112; corn, $112; sorghum, $106; soybean loan rate, $166. 5/ Composite 12-city weighted average price for trucklot sales to be delivered to first receiver. 6/ Central Illinois processors bid to arrive. 7/ Buy-in equals 94% of intervention price plus full value of monthly increments. 8/ Figures represent restitutions awarded nearest to the listed dates, * denotes no award given since the previous month.*

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